

MERGER AGREEMENT
between
GRAPHIC COMMUNICATIONS INTERNATIONAL UNION
and
INTERNATIONAL BROTHERHOOD OF TEAMSTERS

WHEREAS, the Graphic Communications International Union, (GCIU) and the International Brotherhood of Teamsters, (IBT) recognize that labor unions exist primarily for the purposes of organizing the unorganized and achieving decent wages and working conditions through collective bargaining; and

WHEREAS, the GCIU, with its long, proud heritage, in excess of 100 years, of adapting to technological changes in the graphic communications industry and its history of merging with other International Unions over the past forty years, now recognizes that another merger is necessary to fulfill its purposes of organizing workers in the graphic communications industry and improving its ability to negotiate better working conditions for GCIU members and their families; and

WHEREAS, with its broad membership base, its aggressive organizing programs and its strength at the bargaining table, the IBT offers the GCIU and its members an opportunity to maintain its dominance in the graphic communications industry and increase its density in that industry; and

WHEREAS, the IBT's organizing department is supported by a dynamic corporate campaign and research department and a modern communications department, which would reinforce the GCIU's current organizing program of taking on multi-national conglomerates, as well as focusing on medium sized companies in urban areas where many strong GCIU Locals are located and able, with help, to launch targeted organizing drives; and

WHEREAS, the IBT also has an impressive education program with courses in trade union education, shop steward training and safety and health issues, and a powerful, well funded political action department, all of which have demonstrably benefited IBT members and will benefit GCIU members as well; and

WHEREAS, the IBT holds annual conferences for Women, African American, and Latino members to promote the strength and unity of these members; and

WHEREAS, under the terms of the proposed Merger, the GCIU would become a Conference within the IBT and, in general, continue to be governed by its current Constitution and Laws, thereby maintaining its autonomy and the autonomy of its Local Unions and District Councils; and

WHEREAS, Canadian GCIU members would be both members of the GCIU/IBT Conference and Teamsters Canada, preserving their rights of self governance in compliance with the Constitution of the Canadian Labour Congress, as well as being represented on the governing body of Teamsters Canada;

NOW THEREFORE BE IT RESOLVED, that the GCIU and IBT agree to the following terms and conditions for merger, subject to the approval procedures set forth in their respective Constitutions.

ARTICLE I METHOD OF MERGER

1.1. For the GCIU. This Merger Agreement shall first be submitted to the GCIU General Board. Upon approval by the General Board, it shall be submitted to the membership for a mail ballot referendum, conducted in accordance with the GCIU Constitution. Upon approval of a majority of those voting, as certified according to the GCIU Constitution, this Merger Agreement shall be legally binding upon the GCIU.

1.2. For the IBT. The Merger Agreement shall be submitted to the IBT General Executive Board which, pursuant to Article IX, Section 12, of the IBT Constitution, has the authority to enter into agreements of merger or affiliation with another International Union. Upon approval by the IBT General Executive Board, this Merger Agreement shall be legally binding upon the IBT.

1.3. Effective Date. The merger and this Merger Agreement, except as otherwise specified herein, shall become effective January 1, 2005.

ARTICLE II BASIC GUARANTEES

2.1. Conference Autonomy. Except as otherwise provided for in this Merger Agreement, the GCIU/IBT Conference will be governed by the GCIU Constitution.

2.2. Incumbent International Officers and General Board Members.

Incumbent Officers and General Board Members, as of the date of merger, will be the Officers and General Board Members of the GCIU/IBT Conference.

2.3. Representatives, Organizers, Department Heads and Employees. All GCIU Representatives, Organizers, Department Heads and employees, as of the date of merger, will continue to serve in their positions as Representatives, Organizers, Department Heads and employees of the GCIU/IBT Conference, in accordance with their respective collective bargaining agreements, where applicable.

2.4. Local Unions, District Councils and Conferences. All Local Unions and District Councils shall maintain and continue their autonomy. All GCIU Local Unions, District Councils and Regional and Craft Conferences will become Local Unions, District Councils and Conferences of the GCIU/IBT Conference. All GCIU District Councils and Regional and Craft Conferences may continue to exist and operate in the same manner subject to the GCIU Constitution.

2.5. Officers, Executive Board Members and Employees of Local Unions, District Councils and Conferences. The Officers, Executive Board members and employees of all GCIU Locals, District Councils and Regional and Craft Conferences as of the date of merger will continue to serve in their positions, as stated in their respective By-Laws and the GCIU Constitution.

2.6. Members of the GCIU. Members of the GCIU, as of the date of merger, will become members of the IBT, with full regard for service and credit in the GCIU, except as specified in this Merger Agreement.

2.7. GCIU Assets and Funds. Notwithstanding any provision of the IBT Constitution, the GCIU General Fund, and all other funds of the International Union, as of the date of merger, shall remain the property of the GCIU/IBT Conference.

2.8. Local Union, District Council and Regional and Craft Conference Assets and Funds. Notwithstanding any provision of the IBT Constitution, all Local Union, District Council and Regional and Craft Conference assets and funds, as of the date of merger, shall remain the property of the respective Local Union, District Council or Conference.

2.9. Local Union and District Council Mergers. No GCIU Local Union or District Council shall be required to merge with an IBT Local Union or affiliate with an

IBT Joint Council. The provisions of the GCIU Constitution with respect to merger of GCIU Locals shall continue to apply within the GCIU/IBT Conference.

2.10. Pension Plans and Benefit Funds. The operation of any and all of the GCIU Pension Plans and Benefit Funds in existence as of the effective date of the merger shall be permitted to exist after merger and they shall remain separate and independent as long as the GCIU/IBT Conference desires. Moreover, all existing trustees serving on such plans or funds shall continue in their trustee positions and assignments, unaffected by the merger, whether or not their respective Local Unions affiliate with the IBT directly or through the GCIU/IBT Conference. Future trustee vacancies shall be filled according to the provisions of the respective individual trust agreements and plan documents, except, notwithstanding that the post-merger IBT is the successor International Union to the GCIU, the pre-merger powers and authority assigned to the GCIU President under any such trust agreement or plan document shall be effectively transferred to the GCIU/IBT Conference President at the time of merger, whether such transfer is accomplished by appropriate trustee amendment to the respective trust agreements and plan documents or by delegation of all such authority to the IBT General President to the GCIU/IBT Conference President. Moreover, no Union trustee vacancy shall be filled by any discretionary appointee who is not a member of a former GCIU Local Union.

Participation by members of the predecessor International Union (GCIU) in the various trust funds and benefit plans referenced in the foregoing paragraph shall be permitted to continue, unaffected by the merger, whether their respective Local Unions affiliate with the IBT directly or through the GCIU/IBT Conference. Moreover, nothing in this Merger Agreement shall prevent the trustees of such trust funds and benefit plans from allowing, in their sole discretion subject to their fiduciary duties, participation by IBT members who were never members of a former GCIU or GCIU/IBT Local Union.

2.11. Coordinated Activities. The GCIU/IBT Conference may coordinate collective bargaining strategies, conduct multi-employer bargaining, and formulate craft and area unity councils among GCIU/IBT Conference Local Unions and District Councils and IBT Local Unions, Divisions and Conferences who represent members within the Graphics, Print and Paper Products Industries. Participation by GCIU/IBT Conference Local Unions and District Councils and IBT Local Unions, Divisions and Conferences in these activities shall be voluntary.

ARTICLE III CONSTITUTIONAL PROTECTIONS

3.1. GCIU/IBT Constitution. The GCIU/IBT Conference shall be governed by the GCIU Constitution, this Merger Agreement and the IBT Constitution. In the event of any conflict or inconsistency among these documents, the Merger Agreement shall govern over both the GCIU and IBT Constitutions, and the GCIU Constitution and the Merger Agreement shall govern over the IBT Constitution, and the Bylaws of Teamsters Canada.

3.2. Application of the IBT Constitution. Application of the following provisions of the IBT Constitution to the GCIU/IBT Conference shall be modified as follows:

3.2.1. Article VI (General President – Powers and Duties), Section 1(f). The IBT General President may appoint a personal representative to attend GCIU/IBT Conference Local Union and District Council meetings and review books and records, only upon consultation with the GCIU/IBT Conference President.

3.2.2. Article VI, Section 1(h) (General Duties). The IBT General President shall have the authority, at his discretion, to direct that a mail referendum, a supervised secret ballot vote or a secret ballot vote by the membership be held in a GCIU/IBT Conference Local Union or District Council for the welfare of such membership, the Conference or the International Union, only upon consultation with the GCIU/IBT Conference President.

3.2.3. Article VI, Section 4(a) (Approval of Bylaws of Local Unions). The IBT General President shall approve the By-laws and amendments thereto of GCIU/IBT Conference Local Unions and District Councils, subject to the recommendation of the GCIU/IBT Conference President.

3.2.4. Article VI, Section 5(a) (Power of General President to Appoint Trustees). The IBT General President shall have authority to appoint a temporary trustee of a GCIU/IBT Conference Local Union or District Council from January 1, 2005 through December 31, 2006, only upon the consent of the GCIU General Board, as provided in Article XIX of the GCIU Constitution. After December 31, 2006, the IBT General President may appoint a temporary trustee only upon consultation with the GCIU/IBT Conference President.

3.2.5. Article VII, Section 3 (Issuance of Charters). The IBT General Executive Board shall determine the jurisdiction and terms and conditions of issuing Charters for new Locals and District Councils of the GCIU/IBT Conference, subject to the recommendation of the GCIU/IBT Conference President.

3.2.6. Article IX, Section 11 (Mergers). Notwithstanding the provisions of this Section of the IBT Constitution, all mergers within the GCIU/IBT Conference shall be governed by the provisions of the GCIU Constitution, and the IBT shall issue appropriate Charters to conform to such changes, provided that the merger is in accordance with the applicable provisions of the GCIU Constitution.

3.2.7. Article X, Section 10(a) (Audit of Books of Subordinate Bodies). The IBT General President or the IBT General Secretary Treasurer can require an audit or examination of a Local or District Council of the GCIU/IBT Conference, only upon consultation with the GCIU/IBT Conference President.

3.2.8. Article XII, Sections 1 and 2 (Membership Approval of Contracts and Strikes). To the extent these provisions require a vote by members of a bargaining unit to accept or reject a contract, Locals and District Councils of the GCIU/IBT Conference shall be bound by such provisions. All other provisions of these Sections shall not apply. The GCIU shall propose to amend its Constitution at its 2004 Convention to require that members of a bargaining unit shall, by majority vote, approve a final offer of an employer or authorize further negotiations. The current provisions of the GCIU Constitution with respect to strike authorization shall continue to apply.

3.2.9. Article XIII, Section 2 (Assistance from Sister Local Unions). This provision, which provides that the IBT General President must approve any solicitation by a Local Union or affiliate within the IBT for financial aid or other monetary considerations from other Local Unions or affiliates, shall not apply to solicitations among GCIU/IBT Conference Local Unions and District Councils.

3.2.10. Article XVI, Sections 1 and 2 (Establishment of Conferences and Conference Bylaws). Under these provisions, the IBT Constitution shall supersede Conference Bylaws in the event of conflict and the IBT General President reserves the right to make amendments or changes in approved Bylaws as he deems to be in the best interest of the IBT. These provisions shall apply to the GCIU/IBT Conference beginning January 1, 2012.

3.2.11. Article XIX (Trials and Appeals). The provisions of Article XIX of the GCIU Constitution shall apply to all Locals and District Councils in the GCIU/IBT Conference from January 1, 2005 through December 31, 2006. Thereafter, the provisions of Article XIX of the IBT Constitution shall apply, except to the extent specifically modified in the following paragraphs.

3.2.11.1. Article XIX, Sections 4(a) and (c) and 11 (Trials and Appeals of Local Unions and Other Subordinate Bodies and Emergency Powers). Neither Article XIX, Sections 4 and 11, nor any other provisions of the IBT Constitution concerning trusteeship shall apply to the GCIU/IBT Conference prior to January 1, 2012.

3.2.11.2. Article XIX, Section 5(a) (Original Jurisdiction of General Executive Board to Try Offenses Against International Union). The IBT General Executive Board shall have jurisdiction to try the GCIU/IBT Conference or members, officers, Local Unions and District Councils within the GCIU/IBT Conference for offenses committed against International Officers of the IBT upon appropriate notice and hearing, only upon consultation with the GCIU/IBT Conference President.

3.2.11.3. Article XIX, Section 11(a) (Emergency Power of General President to Conduct Trial). The IBT General President shall have the authority to assume jurisdiction of charges relating to a situation “imminently dangerous” to the welfare of a GCIU/IBT Conference Local Union or District Council, the GCIU/IBT Conference, or the International Union, only upon consultation with the GCIU/IBT Conference President.

3.2.12. Article XX (Dissolution of Local Unions). The IBT shall approve the dissolution of Local Unions within the GCIU/IBT Conference only upon the recommendation of the GCIU/IBT Conference President, which recommendation shall be in accordance with the GCIU/IBT Conference Bylaws.

3.2.13. Article XXII, Sections 2(a) and 3(a) (Local Unions, Officers and Terms of Office). The Constitution and Bylaws of Local Unions and District Councils of the GCIU/IBT Conference must conform to the IBT Constitution to include three Trustees and concurrent three year terms of office for Local Unions and four year terms for District Councils by no later than January 1, 2011. Local Unions and District Councils will designate three existing officers or Executive Board members not authorized to sign checks to fulfill the function of trustees as required by Article X, Section 8, of the IBT Constitution.

3.2.14. Article XXII, Section 4 (Local Unions, Nominations and Elections). The dates of nominations, acceptance of nominations and secret ballot election procedures for Local Unions and District Councils of the GCIU/IBT Conference must conform to the IBT Constitution no later than January 1, 2011.

3.2.15. Article XXII, Section 5 (Local Unions, Nominations and Election Protests). Challenges to eligibility to run for Office in Local Unions and District Councils of the GCIU/IBT Conference shall be pursuant to the GCIU Constitution through December 31, 2010. Beginning January 1, 2011, the procedures set forth in Article XXII, Section 5 of the IBT Constitution shall prevail.

3.3. Transition to IBT Constitution. Except as otherwise provided by this Merger Agreement, the provisions of the IBT Constitution shall apply on and after January 1, 2007.

3.4. Delegates to IBT Convention. Each GCIU/IBT Conference Local Union having at least 125 active members shall be entitled to one (1) delegate to the IBT Convention for up to the first thousand active members and to one additional delegate for each additional 750 active members or major fraction thereof. GCIU/IBT Conference Local Unions with less than 125 active members shall be grouped into geographic areas in accordance with the General Board Regions set forth in Article VIII, Section 2.A of the GCIU Constitution. The active members in Local Unions with less than 125 active members within these designated geographic areas shall be consolidated for the purpose of electing delegates to the IBT Convention and shall be entitled to elect delegates according to the formula set out above and in the IBT Constitution as though they constituted a single Local Union. The delegate(s) and alternate(s) elected from within these geographic areas shall be considered delegates from the IBT Region within which their Local Union is located. Elections for Delegates and Alternate Delegates to the 2006 IBT Convention shall be conducted within the GCIU/IBT Conference in March 2006. One month of continuous good standing, February 2006, will be required to be eligible to run for Delegate or Alternate Delegate for the 2006 IBT Convention. Five months of continuous good standing (January through May 2006) shall be required of former GCIU members to be eligible to be nominated, at the 2006 IBT Convention, to run for International Union Office.

The GCIU/IBT Conference President shall be a delegate to the IBT Convention and any members of the GCIU/IBT Conference General Board and any delegates to the GCIU/IBT Convention who are not otherwise delegates or alternate delegates to the IBT Convention shall be invited as guests at the IBT Convention.

[NOTE: Local Union delegates and alternate delegates to IBT Conventions are directly elected by the members of each Local Union in the months before the Convention. Article III, Section 2, of the IBT Constitution provides that each Local Union is allocated one delegate for the first 1000 members and one additional delegate "for each additional seven hundred fifty (750) members or major fraction thereof." The term "major fraction thereof" means 376 which is a majority of the 750 number. As a result, a Local Union with 1376 members is entitled to 2 delegates. Under this formula, the approximately 475 IBT Local Unions send 1750 delegates to the IBT Convention to represent the IBT's 1.4 million members. The next IBT Convention will be held June 26-30, 2006, in Las Vegas, Nevada.

This paragraph (3.4) of the Merger Agreement applies this formula to GCIU/IBT Conference Local Unions that have 125 or more members. GCIU/IBT Conference Local Unions with fewer than 125 members are grouped into geographical areas identical to the GCIU General Board Regions provided in Article VIII, Section 2.A of the GCIU Constitution and applies the formula to the aggregate number of members in these geographic areas. Smaller GCIU Local Unions are grouped for this purpose because they otherwise would send a disproportionate number of delegates to the IBT Convention.

Under the IBT election process, the elections for delegate and alternate delegate are conducted according to guidelines established by the IBT Election Supervisor. Under these guidelines, candidates are nominated and run separately for delegate and alternate delegate. In other words, a candidate must decide whether to run for delegate or for alternate delegate. Nominations may be made by mail and the election is conducted by mail ballot.

This paragraph also provides that all other GCIU/IBT Conference General Board members and any delegates to the GCIU/IBT Conference who are not delegates to the IBT Convention will be invited to attend the IBT Convention as guests.]

ARTICLE IV PROGRAMS AND SERVICES

4.1. Access to Services. Upon merger, the GCIU/IBT Conference will have access to all services of the IBT. GCIU/IBT members as members of the IBT will receive the IBT's general publications and be entitled to participate in IBT programs (for

example, Organizing, Education, Safety and Health, and Government Affairs and the annual Afro-American, Hispanic and Women's Conferences).

4.2. Organizing. With respect to organizing, the IBT will not undertake organizing in the core graphic communications industry represented by the GCIU/IBT Conference and the GCIU will not undertake organizing in core IBT industries. No current GCIU Local Union or District Council is or will be prohibited from organizing in any industry in which it currently represents employees. The GCIU/IBT Conference is committed to organizing in the core graphic communications industry. In recognition of this commitment, the IBT agrees to make it a priority to assist in providing the necessary help for approved projects and targets, including the funding and assignment of IBT Organizers.

4.2.1 Corporate Campaign Assistance. The Directors of Organizing of the IBT and the GCIU, or their designees, will immediately commence discussions to determine ways the IBT can assist the GCIU in its current corporate campaign involving Quebecor, and any future campaigns which the GCIU/IBT Conference may undertake.

4.2.2. Integration of Organizing Programs. The Directors of Organizing of the IBT and the GCIU, or their designees, will discuss the organizing potential within the graphic communications industry and mutually agree upon targets, programs, and assistance to be provided to the GCIU/IBT Conference with the aim of beginning meaningful assistance to the Conference in its organizing program, immediately upon the effective date of merger. The Directors and their Departments will work closely together to maintain a focus on potential targets within the graphic communications industry and to concentrate joint efforts in geographic areas or industry sectors where a meaningful combination of strength and support exists.

4.2.3. Organizing Leads. The IBT will advise the GCIU/IBT Conference of leads within the graphic communications industry and the GCIU/IBT Conference will advise the IBT of any leads within IBT core industries. If either decides not to follow up on the lead then the other Union may proceed to organize that unit.

4.2.4 Resolution of Organizing Disputes. In the event of any dispute arising out of organizing between the GCIU/IBT Conference and the IBT in the United States, the Directors of Organizing will attempt to resolve it. If they are unable to do so, then the GCIU/IBT Conference President and the IBT General President will do so.

4.3. Out of Work and Strike Benefits. All members of the GCIU/IBT Conference in the United States as of the effective date of merger, as members of the IBT, shall be eligible for out of work benefits from the IBT Strike and Defense Fund. The GCIU Emergency Defense Fund shall also continue to exist.

4.3.1. GCIU/IBT Conference Strike Benefits. The rules governing authorization, eligibility and payment for strike and lockout benefits from the GCIU/IBT Conference shall be governed by the GCIU Constitution. The GCIU General Board will propose to amend the GCIU Constitution at the 2004 GCIU Convention to provide GCIU Emergency Defense Fund benefits will be paid only for the initial period of a strike when the IBT Strike and Defense Fund does not pay benefits, when IBT Out-of-Work Benefits are less than the benefits payable by the GCIU Emergency Defense Fund, or when the GCIU/IBT Conference, in accordance with its Constitution, determines to pay benefits. Members of the GCIU/IBT Conference shall also participate in and be eligible for Out-of-Work benefits from the IBT Strike and Defense Fund.

4.3.2. IBT Out-of-Work Benefits. The IBT Strike and Defense Fund will pay benefits to members of the GCIU/IBT Conference in accordance with the rules and policies governing payment of Out-of-Work Benefits by the IBT Strike and Defense Fund. Requests for out of work benefits are subject to approval by the IBT General Executive Board for strikes and lockouts involving more than 200 members and by the IBT General President and General Secretary-Treasurer for strikes and lockouts involving less than 200 members.

4.3.3. IBT Out-of-Work Benefits-Procedures. The GCIU/IBT Conference will comply with established IBT procedure concerning the payment of Out-of-Work Benefits from the IBT Strike and Defense Fund upon approval of strike action in accordance with the GCIU Constitution. The GCIU/IBT Conference will ensure that all necessary information concerning the strike action and the members involved is provided to the IBT. Out-of-Work Benefits will be paid according to Article XII, Sections 12-19, and applicable IBT policies and procedures.

[NOTE: The provisions of the IBT Constitution governing payment of Out-of-Work Benefits (Article XII, Sections 12-19) generally provide that (a) Out-of-Work Benefits are not payable during the first week of a strike, (b) are payable for any subsequent week if the strike continues for at least four days during that week, and (c) that the weekly benefit is approximately equal to 10 times a member's effective hourly wage rate. The exact weekly benefit depends in part on the calculation of the minimum dues rate as provided in Article X, Section 3, of the IBT Constitution (Article XII, Section

14(a)). The IBT procedure for the approval of Out-of-Work Benefits requires the submissions of certain forms indicating in advance of the economic action the nature of the dispute, the date on which the contract expires, the necessary identification and wage information for each member involved in the dispute and other relevant information. These forms are available from the IBT General Secretary-Treasurer's office and the GCIU/IBT Conference will be responsible for filing these forms upon approval of the action by the GCIU/IBT Conference General Board.]

4.4. Safety and Health. The IBT will provide the GCIU/IBT Conference with safety and health services related to the graphic communications industry. The IBT Safety and Health Department will provide assistance to the GCIU/IBT Conference in preparing grant applications to government entities for safety and health purposes in the graphic communications industry.

4.5. Education. The IBT Education Department will provide the GCIU/IBT Conference with education and program services, both for general education such as Shop Steward Training, Collective Bargaining, Grievance Handling, Trade Union Education and Union Leadership, and for specific educational needs for the graphic communications industry, such as printing trades apprenticeship programs. Many of the programs offered by the IBT Education Department include college credit through the National Labor College.

4.6. Governmental Affairs. The GCIU/IBT Conference will coordinate the GCIU Political Action Committee activities with the IBT with the goal of integrating the GCIU PAC into the IBT's PAC (Democrat, Republican, Independent Voter Education (D.R.I.V.E.)). Political contributions by members within Locals and District Councils of the GCIU/IBT Conference will be directed by the IBT Governmental Affairs Program, in consultation with the GCIU/Conference President or upon the request of the Local or District Council forwarding the member contributions. The IBT Government Affairs Department will assist the GCIU/IBT Conference in lobbying and legislation in support of the GCIU/IBT Conference members, contracts and interests.

4.7. Communications Department. The IBT Communications Department will provide the GCIU/IBT Conference with needed assistance, including organizing material as may be necessary. The IBT Communications Department will work with the GCIU/IBT Conference communications staff in fulfilling requests.

4.8. Research Department. The GCIU/IBT Conference will coordinate the collection and integration of contracts from Local Unions and District Councils within

the GCIU/IBT Conference with the IBT Research Department. Local Unions and District Councils within the GCIU/IBT Conference will continue to submit contracts to the appropriate GCIU bodies in the United States and Canada until notified otherwise by the GCIU/IBT Conference President. The IBT Research Department will work with the GCIU/IBT Conference research staff in fulfilling requests.

4.9. Human Rights Commission. Local Unions, District Councils and members within the GCIU/IBT Conference will be entitled to participate in the activities of the IBT Human Rights Commission to the same extent as IBT Local Unions, other affiliates and members. These activities include the annual conferences of the Human Rights Commission, Black Caucus, Women's Caucus and Hispanic Caucus. The GCIU/IBT Conference President will appoint a representative to the Human Rights Commission.

4.10. International Affiliations. The GCIU/IBT Conference, in accordance with its Constitution, will maintain its international affiliations with the Union Network International (UNI) and International Federation of Chemical, Energy, Mine and General Workers' Unions (ICEM). The GCIU/IBT Conference President or the GCIU/IBT Conference Canadian Vice President, in accordance with the GCIU Constitution, will make the appointments of Conference representatives to UNI and ICEM.

ARTICLE V FINANCES AND ADMINISTRATION

5.1. General Statement Concerning Finances, Dues and Per Capita. In general, this Article provides that the monthly per capita tax paid by GCIU/IBT Conference Local Unions will be set according to the provisions of the IBT Constitution; that Local Unions may also be required to pay additional monthly amounts depending on whether they participate in the GCIU Emergency Defense Fund, Benevolent Trust Fund and Newspaper Organizing Fund; that the per capita tax will initially be capped at the amount set by the current GCIU Constitution so that no Local Union will pay more in per capita than it currently pays; and that these provisions will not result in any increase in monthly membership per capita dues.

5.2. General Statement Concerning Administration. In general, this Article provides that the IBT will initially maintain the current level of operation of the GCIU International Union as it becomes the GCIU/IBT Conference, that the two Unions will form a Joint Committee on Finances and Administration, and that, among its other functions, the Joint Committee will create and implement an Operating Plan for the

GCIU/IBT Conference that will finance Conference operations, transfer services to existing IBT Departments as appropriate, and generally ensure that Conference operating costs stay within the income produced by the reduced per capita by no later than January 1, 2012.

5.3. Per Capita. Beginning January 1, 2005, all Local Unions within the GCIU/IBT Conference in the United States will pay per capita at the rate provided by the IBT Constitution (Article X, Section 3) plus additional amounts depending on whether the Local Union participates in the GCIU Emergency Defense Fund, Benevolent Trust Fund and/or Newspaper Organizing Fund, as set forth in the GCIU Constitution. (The Convention Fund will continue to exist and will continue to be funded out of per capita as it is now.)

5.3.1. United States. For Local Unions in the United States, the per capita required by the IBT Constitution is five dollars (\$5.00) for any member whose hourly rate is \$11.00 per hour or less and is twenty-two percent (22%) of two and one-half (2.5) times a member's hourly rate (rounded to the nearest whole dollar) for members with an hourly rate greater than \$11.00.

5.3.2. Canada. For Local Unions in Canada, the per capita rate required by the IBT Constitution is five dollars (\$5.00) for any member whose hourly rate is \$11.00 per hour or less and is sixteen and one-half percent (16.5%) percent of two and one-half (2.5) times the member's hourly rate (rounded to the nearest whole dollar) plus two dollars (\$2.00) for the Teamsters Canada Strike Fund and one and one-half dollars (\$1.50) for Teamsters Canada operations. Teamsters Canada also currently rebates a portion of IBT per capita to Local Unions in Canada.

5.3.3. Procedures. Per capita will continue to be paid to the GCIU/IBT Conference in accordance with the GCIU Constitution until the Local Union begins to participate in the IBT TITAN System, at which time the per capita will be paid directly to the IBT. The Joint Committee on Finances and Administration will resolve any issues concerning the amount of per capita and the method of payment.

[NOTE: Article X, Section 3 of the IBT Constitution sets minimum monthly dues rates and fixes the amount of per capita payments to the International Union based on those minimums. Local Unions within the GCIU/IBT Conference are exempt from the minimum monthly dues rates as provided in paragraph 5.16 below. Nevertheless, a calculation of the minimum monthly dues rate is necessary, but only for the purpose of determining the applicable monthly per capita payment. The minimum monthly dues rate

is generally a multiple of the hourly rate rounded to the nearest whole dollar. The IBT has developed recognized policies that allow limited grouping and averaging of hourly rates within bargaining units or classifications in order to simplify the monthly dues rate calculation. The multiple for members in the private sector in the United States is two and one-half times the hourly rate. This number is then rounded to the nearest whole dollar to determine the minimum monthly dues rate. Different multiples apply to public employees who are not entitled legally to strike (two and one-quarter (2.25) times the hourly rate). The per capita payable to the International Union is then set at twenty-two percent of the applicable minimum monthly dues rate. For example, a member in the private sector earns \$16.00/hour; the minimum monthly dues rate is \$40.00 (2.5 x \$16.00), and monthly per capita is \$8.80 (22 percent of \$40.00). The per capita payment to the International Union includes dedicated amounts allocated to the IBT Strike and Defense Fund (15% of each per capita payment from members who are entitled legally to strike) and to Organizing (10%).

The per capita rate in Canada is different (16.5%) because Teamsters Canada maintains a separate Strike Fund and a separate Organizing Fund which are funded through additional payments that are made directly to Teamsters Canada. These additional payments are two dollars (\$2.00) per month for the Strike Fund and one and one-half dollars (\$1.50) for the operations of Teamsters Canada. These additional amounts are considered part of the regular monthly per capita in Canada and are paid in Canadian dollars.

IBT Local Unions use the TITAN System to record dues, initiations fees and other income. TITAN not only keeps track of all dues payments and membership information, it also automatically calculates the monthly per capita payment. Per capita payments are due by the 20th of the following month.

A comparison of the current GCIU per capita and the IBT per capita shows the following:

	Weekly	GCIU (All Members)	GCIU (w/ Defense)	IBT* (US)	IBT* (CDN)
B1	\$300	8.92	10.42	5.00	8.50
B2	\$400	9.92	11.42	5.00	8.50
B3	\$500	10.42	11.92	6.82	8.62
B4	\$600	10.92	12.42	8.14	9.22
B5	\$700	11.42	12.92	9.68	9.63
cap 1-1-2005 B6	\$800	11.92	13.42	11.00	9.99

<i>cap 1-1-2007</i>	<i>B7</i>	<i>\$900</i>	<i>12.42</i>	<i>13.92</i>	<i>12.32</i>	<i>10.35</i>
<i>cap 1-1-2008</i>	<i>B8</i>	<i>\$1000</i>	<i>12.92</i>	<i>14.42</i>	<i>13.64</i>	<i>10.71</i>
<i>cap 1-1-2009</i>	<i>B9</i>	<i>\$1100</i>	<i>13.42</i>	<i>14.92</i>	<i>15.18</i>	<i>11.12</i>
<i>cap 1-1-2010</i>	<i>C1</i>	<i>\$1200</i>	<i>13.92</i>	<i>15.42</i>	<i>16.50</i>	<i>11.48</i>
<i>cap 1-1-2011</i>	<i>C2</i>	<i>\$1300</i>	<i>14.42</i>	<i>15.92</i>	<i>17.82</i>	<i>11.83</i>

** IBT (US) figures include payment for the IBT Strike and Defense Fund and the IBT (CDN) figures include payment for the Teamsters Canada Strike Fund and the current Teamsters Canada rebate program.*

The GCIU (All members) column is the basic per capita paid by all GCIU Local Unions for all members. This amount includes the GCIU Convention Fund. The GCIU (w/ Defense) column indicates the per capita including the GCIU Strike Fund contribution which is \$1.50 per month. In some instances, GCIU Locals may be required to pay additional monthly amounts if they participate in the GCIU Benevolent Trust Fund (\$1.00) and/or the Newspaper Organizing Fund (\$0.50). The IBT (US) column is the IBT per capita in the United States which includes amounts for the IBT Strike and Defense Fund and Organizing. The IBT (CDN) column indicates the total per capita paid in Canada in Canadian dollars which again includes the Teamsters Canada Strike Fund and Organizing. The IBT (CDN) column also takes into account the current Teamsters Canada rebate program. All IBT per capita (United States and Canada) is calculated on the assumption that the weekly wages are earned on a 40-hour work week. As provided in paragraph 5.4, per capita will be capped for all Local Unions in the GCIU/IBT Conference at the B6 bracket for calendar 2005 and 2006. This cap will rise one bracket on January 1, 2007, and on January 1 each year thereafter so that it reaches the C2 level on January 1, 2012.]

5.4. Maximum GCIU Per Capita. Beginning January 1, 2005 through December 31, 2006, per capita set in the previous paragraph in both the United States and Canada will be capped at the B6 (\$700-\$800) bracket rate set forth in the GCIU Constitution. This cap will rise one bracket on January 1, 2007 (to the B7 (\$800-\$900) bracket) and one additional bracket on January 1 of each subsequent year so that it reaches the C2 (\$1200-\$1300) bracket on January 1, 2011. The per capita for all members of GCIU Local Unions and District Councils (and their successors) located in right-to-work states in the United States shall be \$5.00 per member per month through December 31, 2011. There will be no cap on and after January 1, 2012.

5.5. Initiation Fees. The IBT Constitution (Article X, Section 3(a)) provides that each Local Union shall pay two dollars and fifty cents (\$2.50) or an amount equal to

fifteen percent (15%) of the amount of any initiation fee or reinitiation fee, whichever is greater. Local Unions and District Councils within the GCIU/IBT Conference will not pay any portion of any initiation or reinitiation fees through December 31, 2006. Beginning January 1, 2007, each Local Union and District Council within the GCIU/IBT Conference will pay two dollars and fifty cents (\$2.50) or three percent (3%) of any initiation fee or reinitiation fee, whichever is greater and the percentage shall increase by three percentage points (3%) each year thereafter until it reaches fifteen percent (15%) beginning on January 1, 2011. These amounts are only payable on initiation and reinitiation fees actually collected.

5.6. Joint Committee on Finances and Administration. The Unions will establish a Joint Committee on Finances and Administration consisting of five members representing the GCIU/IBT Conference and five members representing the IBT. The Secretary-Treasurer of the GCIU/IBT Conference or his designated representative shall be one of the five members representing the GCIU/IBT Conference and the IBT General Secretary-Treasurer or his designated representative shall be one of the five members representing the IBT. The other members of the Committee representing the GCIU/IBT Conference will be appointed by the GCIU/IBT Conference President and the other members of the Committee representing the IBT shall be appointed by the IBT General Secretary-Treasurer. The Committee shall create and implement an Operating Plan for the GCIU/IBT Conference that will make Conference operations as efficient as possible, transfer services to existing IBT Departments as appropriate, and generally ensure on an ongoing basis that Conference operating costs stay within the income produced by the reduced per capita, all in accord with the following paragraphs.

5.7. IBT Financial Support for GCIU/IBT Conference Operations.

5.7.1. Annual Estimated GCIU Per Capita. The Joint Committee on Finances and Administration will determine the Annual Estimated GCIU Per Capita that would be generated by per capita in the amount set by the GCIU Constitution. The Joint Committee shall determine this amount based on membership figures from the preceding year and the figure shall be updated annually.

5.7.2. Annual Projected Current Revenue. The Joint Committee shall also determine the Annual Projected Current Revenue as set forth in paragraphs 5.3, 5.4 and 5.5. The Joint Committee shall revise this Annual Projected Current Revenue each year based on the membership figures from the preceding year. Calculation of the Annual Projected Current Revenue for all years through calendar 2008 shall be based on membership figures from the preceding year that include members from any GCIU Local

Unions or District Councils that may choose to directly affiliate with the IBT pursuant to paragraph 7.9. The Annual Projected Current Revenue for calendar 2009 shall be based on membership figures that include 75 percent of the membership of Local Unions and District Councils that have chosen to directly affiliate with the IBT through the preceding year. The Annual Projected Current Revenue for 2010 shall include 50 percent, and for 2011 shall include 25 percent.

5.7.3. IBT Obligation.

5.7.3.1. For calendar 2005 and 2006, the IBT shall be responsible for financing the operations of the GCIU/IBT Conference in an amount equal to the Annual Estimated GCIU Per Capita.

5.7.3.2. For calendar 2007, the IBT shall be responsible for supporting the operations of the GCIU/IBT Conference in an amount equal to the Annual Projected Current Revenue, plus seventy-five (75) percent of the difference between the Annual Estimated GCIU Per Capita and the Annual Projected Current Revenue.

5.7.3.3. For calendar 2008, the IBT shall be responsible for supporting the operations of the GCIU/IBT Conference in an amount equal to the Annual Projected Current Revenue, plus fifty (50) percent of the difference between the Annual Estimated GCIU Per Capita and the Annual Projected Current Revenue.

5.7.3.4. For calendar 2009, the IBT shall be responsible for supporting the operations of the GCIU/IBT Conference in an amount equal to the Annual Projected Current Revenue, plus twenty-five (25) percent of the difference between the Annual Estimated GCIU Per Capita and the Annual Projected Current Revenue.

5.7.3.5. For calendar 2010 and 2011, the IBT shall be responsible for supporting the operations of the GCIU/IBT Conference in an amount equal to the Annual Projected Current Revenue, plus ten (10) percent of the difference between the Annual Estimated GCIU Per Capita and the Annual Projected Current Revenue .

5.7.3.6. Beginning January 1, 2012, the IBT will fund the GCIU/IBT Conference in an amount equal to the per capita collected from Local Unions within the Conference less the allocated amount for the IBT Strike and Defense Fund.

5.8. IBT Obligation for the GCIU/IBT Conference Organizing Program and Corporate Campaigns. For the period from January 1, 2005 through December 31,

2011, the IBT will support, on an annual basis, the GCIU/IBT Conference Organizing program and corporate campaigns, including the funding and assignment of IBT Organizers. This support will be both in kind (in the form of services provided by IBT organizers and other staff) and direct (in the form of direct monetary subsidies). This financial support will be a minimum of double the annual amount of the allocation to the IBT Organizing Fund from the per capita paid by the GCIU/IBT Conference Locals and District Councils to the IBT. The parties recognize that one-half of this amount is included in the IBT Obligation set forth in paragraph 5.7.3. In the event that GCIU Locals and District Councils choose to directly affiliate with the IBT, pursuant to paragraph 7.9.1, the allocation from such Locals and District Councils of their per capita to the IBT Organizing Fund will be credited to the GCIU/IBT Conference for purposes of calculating the annual amount of support by the IBT for organizing and corporate campaigns.

5.9. Operating Plan Principles. The Joint Committee on Finances and Administration shall develop an Operating Plan that will allow the GCIU/IBT Conference to operate within available revenues. The Joint Committee shall apply the following principles in developing the Operating Plan.

5.9.1.1. The Operating Plan will not violate any provisions of this Merger Agreement, the GCIU Constitution, the IBT Constitution or the By laws of Teamsters Canada.

5.9.1.2. The Operating Plan will not violate any applicable collective bargaining agreement between the GCIU and any Union representing its employees.

5.10. Maintenance of GCIU Funds. All existing GCIU Funds (General Fund, Emergency and Special Defense Fund, Organizing Fund, Convention Fund, Benevolent Trust Fund, and Newspaper Defense Fund) shall remain as part of the GCIU/IBT Conference and be governed by the GCIU/IBT Conference Constitution and Laws .

The funds, property, assets and buildings of all GCIU Locals and District Councils shall remain independent as under the current GCIU Constitution and shall not otherwise be affected by the Merger, and shall not be subject to the authority of the IBT General President.

5.10.1. GCIU DeAndrade Scholarship Fund. The GCIU/IBT Conference intends to spend the remaining monies in the DeAndrade Scholarship Fund. That Fund will then be terminated. Members of the GCIU/IBT Conference and their families will

then be eligible to participate in the James R. Hoffa Scholarship Fund. For purposes of eligibility for scholarships, the IBT and the James R. Hoffa Scholarship Fund will deem membership in the GCIU for at least one year as satisfying the one year eligibility requirement for scholarships from that Fund.

5.10.2. GCIU Political Action Committee. The GCIU/IBT Conference will terminate the GCIU PAC Fund as of January 1, 2005. Thereafter, members of Locals and District Councils of the GCIU/IBT Conference will make political contributions to the IBT Political Action Committee, and such contributions will be directed by that Committee in consultation with the GCU/IBT Conference President. That Committee will honor requests from Locals and District Councils of the GCIU/IBT Conference to make campaign contributions to political candidates designated by such Locals and District Councils.

5.11. TITAN and Computerized Bookkeeping System. Locals and District Councils of the GCIU/IBT Conference will participate in the IBT TITAN accounting and record keeping system and will have the option of using the IBT Computerized Bookkeeping System (CBS). There will be a transition period from January 1, 2005 until December 31, 2012. The IBT will notify the GCIU/IBT Conference of IBT seminars and training programs in TITAN and CBS so that Conference Locals and District Councils may participate. For the period from January 1, 2005 until December 31, 2008, the IBT will offer Locals and District Councils of the GCIU/IBT Conference financial incentives to switch to the TITAN system by paying the full cost of equipment necessary to implement the TITAN system.

[NOTE: The IBT TITAN accounting and record keeping system tracks income and membership information including dues and initiation fee payments. It does not track expenditures. In order to maintain security, the system operates on a closed, proprietary network that requires a dedicated line that costs approximately \$250/month. The TITAN System is available 24x7. The cost of equipment for each terminal is approximately \$2000. As noted above, the IBT will pay the full cost of equipment necessary to convert to the TITAN System through December 31, 2008. Each Local Union has its own individual and separate account protected by appropriate user ID and password. Local Unions can share the use (and cost) of a single terminal. TITAN will automatically generate mailing, delinquency and other lists and reports. TITAN will automatically calculate required monthly per capita payments. The TITAN software is automatically updated at no charge. Maintenance costs will be the responsibility of the Local Union.

In contrast to TITAN, the Computerize Bookkeeping System (CBS) is an optional stand-alone accounting program that is available to IBT affiliates and which is installed on a PC and is not connected to the TITAN System. The CBS software is updated at no charge, although Local Unions will need a high speed internet connection in order to download any updates. CBS provides a convenient way for Local Unions and other affiliates to track expenditures and generate month-end or other reports. CBS has been modified to assist Local Unions in complying with the new LM-2 Rules that has been issued by the Department of Labor.]

5.12. GCIU/IBT Conference Headquarters. The IBT shall provide, at no cost, suitable space for the GCIU/IBT Conference in the IBT Headquarters Building at 25 Louisiana Avenue, N.W., Washington, D.C., as soon as practicable following the IBT 2006 Convention, but no later than the expiration of the provision in the GCIU 1900 L Street lease requiring payment of amortized renovation costs. The Unions have reached a separate agreement that makes available suitable space in the IBT Headquarters Building for the GCIU Supplemental Retirement & Disability Fund and the Graphic Arts Industry Joint Pension Fund.

5.13. GCIU Field Staff and Office Employees. All full time GCIU field staff covered by the IUG Collective Bargaining Agreement and all full time GCIU employees, including Department Heads, Executive Secretaries and employees covered by the OPEIU Collective Bargaining Agreement at GCIU Headquarters in Washington, D.C., and in the Toronto Canada GCIU office, employed as of January 1, 2005, shall not be laid off due to the merger. Employees covered by a collective bargaining agreement shall continue to work under the provisions of those agreements. The parties agree that they will work toward the goal of integrating office staff at IBT Headquarters in a manner consistent with trade union principles and existing collective bargaining agreements.

Pursuant to Section 10.2 of the IUG Collective Bargaining Agreement, the GCIU has notified the IBT of the existence of the contract between the GCIU and the Independent Union of Graphic Industry Independent Personnel (IUG) and the IBT has acknowledged receipt of a copy of the current contract.

5.14. Pension and Health Care Provisions. The Unions recognized that the cost of retirement benefits and retiree health care benefits can increase dramatically based on outside economic factors that are beyond the control of the Union and that the GCIU is responsible for making contributions required to finance the GCIU Officers, Representatives and Organizers Plan (ORO), health care coverage for retired Officers, Representatives and Organizers and health care coverage for retired former bargaining

unit employees. If the size of these required contributions increase to the point that they prevent the GCIU/IBT Conference from having funds sufficient to provide a reasonable level of operations and services to its affiliated Local Unions and District Councils, the Joint Committee shall determine the extent to which the IBT shall provide additional funds to pay these contributions and maintain a reasonable level of operation and services.

5.15. Relief From Extraordinary Expense. The Unions recognized that the GCIU/IBT Conference may be burdened with extraordinary expenses by circumstances beyond the control of the Conference. In the event that such extraordinary expenses threaten the ability of the Conference to maintain a reasonable level of operations and services to its affiliated Local Unions and District Councils, the Joint Committee shall determine the extent to which the IBT shall provide additional funds to support the Conference.

5.16. Minimum Monthly Dues. The minimum monthly dues rates set forth in Article X, Section 3 of the IBT Constitution shall not apply to Local Unions that are part of the GCIU as of January 1, 2005, or their successors.

ARTICLE VI CANADA

6.1. Teamsters Canada. In recognition of the sovereignty of the nation of Canada, the IBT Constitution designates Teamsters Canada as the nationwide representative of all Canadian Teamsters and provides that all Teamsters Local Unions and other affiliates in Canada shall be affiliated with Teamsters Canada. The provisions of this Article supersede the other provisions of this Merger Agreement insofar as they apply to GCIU/IBT Conference Local Unions and District Councils in Canada. Unless otherwise specifically provided in this Article, all other provisions of this Merger Agreement apply to GCIU/IBT Conference Locals and District Councils in Canada and shall take precedence over any inconsistent provision of the Bylaws of Teamsters Canada.

6.2. "Subordinate Body." GCIU/IBT Conference Local Unions and District Councils in Canada shall be considered "subordinate bodies" as that term is used in the Bylaws of Teamsters Canada.

6.3. Convention of Teamsters Canada. Each GCIU/IBT Conference Local Union in Canada having at least 400 active members shall be entitled to one (1) delegate to the Convention of Teamsters Canada for up to the first thousand active members and to one additional delegate for each additional 750 active members or major fraction thereof. GCIU/IBT Conference Local Unions with less than 400 active members shall be grouped into three geographic areas (Quebec and Atlantic, Ontario, and Western Canada). The active members in Local Unions with less than 400 active members within these designated geographic areas shall be consolidated for the purpose of selecting delegates to the IBT Convention and shall be entitled to select delegates according to the formula set out above and in the IBT Constitution as though they constituted a single Local Union. The method of selection shall be determined by the officers of the Local Union or Local Unions. Delegates and alternate delegates shall otherwise be chosen in accordance with Article II, Section 2 of the Bylaws of Teamsters Canada, provided that, for the 2005 Convention of Teamsters Canada, five months of continuous good standing eligibility ending with the month before the Convention shall be required for members within the GCIU/IBT Conference in Canada.

6.4. Teamsters Canada Executive Board. At the 2005 Teamsters Canada Convention, the Teamsters Canada Executive Board will endorse an amendment to the Bylaws of Teamsters Canada which will provide an additional position on the Teamsters Canada Executive Board which will be filled by a representative from the GCIU/IBT Conference in Canada elected by the GCIU/IBT Conference Canadian delegates to the Convention. This amendment will lapse and the position shall be eliminated if the GCIU/IBT Conference withdraws from this merger as provided in 7.14. To be eligible to run for office in Teamsters Canada at the 2005 Convention of Teamsters Canada, a member within the GCIU/IBT Conference in Canada must fulfill a continuous good standing requirement of five months ending with the month immediately preceding that Convention.

6.5. Access to Services. As set forth in Article 4.1, upon the effective date of the merger, GCIU/IBT Conference Local Unions and District Councils in Canada will have access to all programs and services of the IBT. GCIU/IBT Conference members in Canada, like Conference members in the United States, will receive the IBT's general publications and be entitled to participate in all IBT Programs (for example, Organizing, Research, Strategic Campaigns, Education, Safety and Health, Communications, Government Affairs and the annual conferences of the IBT's Human Rights Commission, Black Caucus, Women's Caucus and Hispanic Caucus).

In addition, GCIU/IBT Conference Local Unions and District Councils in Canada, will have access to all programmes and services of Teamsters Canada (for example, Organizing, Education, Lobbying, Communications, National Bargaining and International Liaison).

6.6. Government Affairs. The GCIU/IBT Conference will coordinate its Canadian political and legislative activities with the Government Affairs Department of Teamsters Canada, which will provide assistance, on the federal governmental level, in lobbying and providing information, briefs and position papers on legislative issues of concern to the GCIU/IBT Conference in Canada.

6.7. GCIU/IBT Conference Canadian Office. Teamsters Canada shall provide, at no cost to the GCIU/IBT Conference in Canada, suitable space at its office in the Greater Toronto Area, as soon as practicable following the IBT 2006 Convention.

6.8. Pension and Benefit Funds. All GCIU Pension and Benefit Funds in Canada, as of the date of merger, shall remain separate and independent and continue to operate as they had prior to merger. All references in the former GCIU Pension and Benefit Funds' documents to the GCIU, the GCIU President or the GCIU Canadian Vice President, shall after merger mean the GCIU/IBT Conference, the GCIU/IBT Conference President or the GCIU/IBT Canadian Vice President, as the context may require.

6.9. Jurisdictional Disputes. Notwithstanding any provision of the GCIU Constitution or the IBT Constitution, jurisdictional issues and disputes arising between IBT affiliates and GCIU/IBT Conference Local Unions and District Councils in Canada will be submitted to a panel consisting of two members named by the President of Teamsters Canada and two members named by the GCIU/IBT Conference Canadian Vice President. If the panel is unable to resolve the issue or dispute, the matter will be referred to the President of Teamsters Canada or his designated representative and to the GCIU/IBT Conference Canadian Vice President or his designated representative, whose decision shall be final and binding.

6.10. Resolution of Organizing Disputes. In the event of any dispute arising out of organizing between the GCIU/IBT Conference and the IBT and any IBT Local Union in Canada, the Directors of Organizing of the GCIU/IBT Conference and Teamsters Canada will attempt to resolve it. If they are unable to do so, then the GCIU/IBT Conference Canadian Vice President and the President of Teamsters Canada will do so.

6.11. Teamsters Canada Strike Fund. Teamsters Canada maintains a separate Strike Fund supported by a separate assessment. All members of the GCIU/IBT Conference in Canada, as of the effective date of the merger, as members of the IBT, shall be eligible for benefits from the Teamsters Canada Strike Fund. The GCIU Emergency Defense Fund shall also continue to exist.

6.11.1. GCIU/IBT Conference Strike Benefits. The rules governing authorization, eligibility and payment for strike and lockout benefits from the GCIU/IBT Emergency Defense Fund shall be governed by the GCIU Constitution. As provided in paragraph 6.11 above, the GCIU General Board will propose to amend the GCIU Constitution at the 2004 GCIU Convention to provide that GCIU Emergency Defense Fund benefits will be paid only for the initial period of a strike when the IBT Strike and Defense Fund does not pay benefits, when the IBT Out-of-Work benefits are less than the benefits payable by the GCIU Emergency Defense Fund, or when the GCIU/IBT Conference, in accordance with its Constitution, determines to pay benefits. Members of the GCIU/IBT Conference shall also participate in and be eligible for Out-of-Work benefits from the IBT Strike and Defense Fund.

6.11.2. Teamsters Canada Strike Fund. The Teamsters Canada Strike Fund will pay benefits to members of the GCIU/IBT Conference in accordance with the rules and policies governing payment of Out-of-Work Benefits by the Teamsters Canada Strike Fund. Requests for out of work benefits are subject to approval by the Teamsters Canada Executive Board for strikes and lockouts involving more than 200 members and by the President of Teamsters Canada or his authorized representative for strikes and lockouts involving less than 200 members.

6.11.3. Teamsters Canada Strike Fund Procedures. The GCIU/IBT Conference will comply with established Teamsters Canada procedure concerning the payment of benefits from the Teamsters Canada Strike Fund upon approval of strike action in accordance with the GCIU Constitution. The GCIU/IBT Conference will ensure that all necessary information concerning the strike action and the members involved is provided to Teamsters Canada. Benefits from the Teamsters Canada Strike Fund will be paid in accordance with applicable Teamsters Canada policies and procedures.

[NOTE: The provisions of the Bylaws of Teamsters Canada governing payment of benefits from the Teamsters Canada Strike Fund (Article VII, Section 3(a)) generally provide that (a) Out-of-Work Benefits are not payable during the first week of a strike, (b) are payable for any subsequent week if the strike continues for at least four days

during that week, and (c) that the weekly benefit is two hundred dollars (\$200.00) per week.]

6.12. Teamsters Canada Graphic Communications Trade Division. On the effective date of the Merger, Teamsters Canada shall recognize the GCIU/IBT Conference in Canada as the Teamsters Canada Graphic Communications, Printing and Paper Products Industry Trade Division which shall provide appropriate services to all GCIU/IBT Conference Local Unions and District Councils in Canada whether those Local Unions and District Councils remain affiliated with the GCIU/IBT Conference or elect to directly affiliate with the IBT and Teamsters Canada as provided in paragraph 7.9.

6.13. Canadian Organizing Fund. Teamsters Canada shall contribute \$15,000 (CDN) per year to a GCIU/IBT Conference Canadian Organizing Fund which shall be administered at the direction of the GCIU/IBT Canadian Vice President with the approval of the GCIU/IBT Conference President.

6.14. Unity Principle. In the event that this Merger Agreement is approved in Canada, all Local Unions and District Councils in Canada shall merge as provided in this Merger Agreement. If this Merger Agreement is disapproved in Canada, the IBT and Teamsters Canada will not affiliate any GCIU Local Unions or District Councils in Canada.

ARTICLE VII GENERAL PROVISIONS

7.1. GCIU Convention Schedule. The GCIU General Board, at the GCIU 2004 Convention, will propose to amend its Constitution to change the timetable for future GCIU/IBT Conference Conventions to coincide with the IBT regular Conventions. The first GCIU/IBT Conference Convention will be in June 2006, immediately prior to the IBT 2006 Convention, and subsequent Conference Conventions shall be held every five years thereafter.

7.2. GCIU/IBT Union Label. The design of the current GCIU Union Label will be changed to reflect that the GCIU, as a result of merger, is now the GCIU/IBT Conference. The new Union Label will include the designation, GCIU/IBT Union Label and will be registered by the GCIU/IBT Conference with the federal governments of the United States and Canada, all 50 States, the District of Columbia, Puerto Rico and U.S. Territories, and the 10 Provinces of Canada and the Canadian Territories.

The GCIU/IBT Union Label will be the official printing label of the GCIU/IBT Conference and the IBT. For the interim period until the GCIU/IBT Label is properly registered, the GCIU/IBT Conference and the IBT will use the GCIU Union Label as the official printing label. These provisions are not intended to interfere with the use of the International Allied Printing Trades Union Label.

The GCIU/IBT Conference President shall appoint the GCIU/IBT Conference representatives to the International Allied Board of Governors.

7.3. Limits on Compensation for International Officers. No GCIU International Officer, in office on the effective date of the merger, shall receive more than one salary from the GCIU/IBT Conference, the IBT or Teamsters Canada, nor shall such Officer receive any additional pension credits or any increase in pension compensation as a result of the merger.

7.4. References to GCIU/IBT Conference President. All references in the GCIU/IBT Conference Constitution to the President shall mean the President of the GCIU/IBT Conference.

7.5. GCIU Benevolent Trust Fund. Participants in the GCIU Benevolent Trust Fund, who transfer out of the GCIU/IBT Conference and affiliate directly with the IBT, shall remain as participants in the Benevolent Trust Fund and continue to make their required monetary contributions so long as they remain active members of the IBT.

7.6. IBT Locals, Divisions and Conferences Affiliating with the GCIU/IBT Conference. IBT Locals, Divisions and Conferences may voluntarily affiliate directly with the GCIU/IBT Conference. In such event, the per capita of an affiliating IBT Local Union will not be increased and will continue to be paid directly to the IBT and the IBT shall pay to the GCIU/IBT Conference an amount equal to the IBT per capita, less the amounts allocated to the Strike and Defense Fund and the Organizing Fund. The IBT will provide the GCIU/IBT Conference with services in kind or allocation of money for the difference between the per capita paid by such affiliating Local Union and the regular per capita paid by former GCIU Local Unions to the GCIU/IBT Conference, pursuant to the GCIU/IBT Constitution.

7.7. Jurisdiction.

7.7.1. The GCIU/IBT Conference shall maintain its jurisdiction in the graphic communications industry as specified in the Article II, Section 6 of the GCIU Constitution.

7.7.2. Except as provided elsewhere in this Merger Agreement, GCIU Locals and District Councils already representing employees outside the graphic communications industry will continue to represent those employees, and IBT Locals and affiliates already representing employees within the graphic communications industry will continue to represent those employees.

7.8. Jurisdictional Disputes. Notwithstanding any provision of the GCIU Constitution or the IBT Constitution, jurisdictional issues and disputes arising between IBT affiliates and GCIU/IBT Conference Local Unions and District Councils will be submitted to a panel consisting of two members named by the IBT General President and two members named by the GCIU/IBT Conference President. If the panel is unable to resolve the issue or dispute, the matter will be referred to the IBT General President or his designated representative and to the GCIU/IBT Conference President or his designated representative, whose decision shall be final and binding.

7.9. Direct Affiliation of GCIU Locals and District Councils.

7.9.1. GCIU Locals and District Councils may choose to directly affiliate with the IBT by action taken in accordance with their respective bylaws. The decision to voluntarily affiliate or join directly with the IBT cannot be made prior to January 1, 2006. The GCIU Convention shall take no action inconsistent with the foregoing.

7.9.2. The following shall apply to any GCIU Local Union or District Council that chooses to voluntarily affiliate or join directly with the IBT:

7.9.2.1. Any Local Union or District Council will be issued an appropriate charter in accord with the procedures set forth in the IBT Constitution. The IBT reserves the right to limit the issuance of individual charters to Local Unions or District Councils.

7.9.2.2. Any Local Union or District Council choosing to voluntarily directly affiliate or join directly with the IBT shall be subject to all requirements of the IBT Constitution on and after the effective date of the direct

affiliation including, but not limited to, the payment of full per capita as provided by Article X, Section 3 of the IBT Constitution.

7.9.2.3. A Local Union or District Council choosing to voluntarily affiliate or join directly with the IBT shall not have any per capita obligation to the GCIU/IBT Conference after the effective date of the direct affiliation (other than continuing participation of its members in the Benevolent Trust Fund) and shall not have any right to representation at the GCIU/IBT Conference or Convention, on the GCIU/IBT Conference General Board, or any appointed positions and shall not be entitled to receive any financial subsidies or benefits, and such representation and positions shall become vacant and a replacement shall be selected in accordance with the applicable provisions of the GCIU Constitution.

7.10. Charters. All charters issued by GCIU will be considered as having been issued by IBT. IBT will issue replacement or duplicate charters upon request. IBT will issue charters to all GCIU affiliates that do not already have charters issued by GCIU. The GCIU Constitution and Bylaws will otherwise govern the issuance of charters within the GCIU/IBT Conference and the IBT will issue charters for subordinate bodies within the GCIU/IBT Conference, provided that the issuance of such charters is consistent with the provisions of the GCIU Constitution and Bylaws.

7.11. Joint Council Affiliation.

7.11.1. GCIU/IBT Conference Local Unions and District Councils will not be required to be affiliated with IBT Joint Councils or other intermediate bodies.

7.11.2. Officers of GCIU/IBT Conference Local Unions and District Councils will be invited to attend meetings and other functions and events conducted by the Joint Council or other intermediate bodies having jurisdiction over the geographic area in which the Local Union or District Council is located.

7.11.3. GCIU/IBT Conference Local Unions and District Councils may enter into agreements with the Joint Council or other intermediate body having jurisdiction over the geographic area in which the Local Union or District Council is located on mutually agreeable terms, subject to the approval of the GCIU/IBT Conference President and the IBT General President.

7.11.4. With respect to agreements under the preceding paragraph that affect affiliates in Canada, the IBT General President shall act on the recommendation of

the President of Teamsters Canada and the GCIU/IBT Conference President shall act on the recommendation of the GCIU/IBT Conference Canadian Vice President.

7.12. Amendment of IBT Constitution. The IBT General Executive Board will propose, at the 2006 IBT Convention, or at any Special Convention held before 2006, to Amend Article IX, Section 12, of the IBT Constitution to include the following guarantee:

Agreements entered into by the General Executive Board that effectuate the absorption, amalgamation, merger or affiliation of another labor organization shall prevail and control over the provisions of this Constitution and shall not be subject to modification or nullification by subsequent action of any Convention.

7.13. IBT General Executive Board. The GCIU/IBT Conference President will attend and participate in all meetings of the IBT General Executive Board and will be considered by the IBT General President for any vacancy that may occur on the IBT General Executive Board through the end of the current term of office. If all of the then incumbent at-large IBT International Vice Presidents are nominated at the 2006 IBT Convention to run for re-election, the IBT General Executive Board will recommend that the number of at-large International Vice Presidents be expanded to six in order to create a vacancy for the GCIU/IBT President on the IBT General Executive Board in 2006. The parties recognize that such an amendment is subject to the action of the delegates at the 2006 IBT Convention.

7.14. Withdrawal.

7.14.1. Convention of Teamsters Canada. The merger shall be terminated if the 2005 Convention of Teamsters Canada fails to adopt an amendment to the Bylaws of Teamsters Canada as provided in 6.4. If the merger is so terminated, then (a) the merger shall be terminated effective on the first day of August 2005, (b) all members within the GCIU/IBT Conference who maintain membership in the IBT as a result of the merger shall cease their membership in the IBT, and (c) the GCIU shall be restored to its pre-merger status, including, but not limited to restoring to the GCIU all GCIU Local Unions and District Councils that may have opted for direct affiliation with the IBT.

7.14.2. 2006 IBT Convention. In addition, the merger shall be terminated if the 2006 IBT Convention fails to adopt an amendment to protect this Merger

Agreement as provided in 7.12 or fails to create a vacancy for the GCIU/IBT Conference President on the IBT General Executive Board as provided in 7.13. If the merger is so terminated, then (a) the merger shall be terminated effective August 1, 2006, (b) all members within the GCIU/IBT Conference who maintain membership as a result of the merger shall cease their membership in the IBT, (c) the GCIU shall be restored to its pre-merger status, including, but not limited to restoring to the GCIU all GCIU Local Unions and District Councils that may have opted for direct affiliation with the IBT, (d) any position on the IBT General Executive Board created by amendment at the 2006 IBT Convention in order to fulfill the requirements of 7.12 shall be eliminated, (e) no member from within the GCIU/IBT Conference who holds membership in the IBT as a result of the merger shall be allowed to run for IBT International Union office, and (f) no member from within the GCIU/IBT Conference who holds membership in the IBT as a result of the merger may vote or otherwise participate as an IBT member in the 2006 Election of International Union Officers.

7.14.3. GCIU/IBT President Fails To Be Elected. In addition, the GCIU/IBT Conference may withdraw from this merger if the GCIU/IBT Conference President is not elected to a position on the IBT General Executive Board.

7.14.4. Procedure For Withdrawal. Notwithstanding any provision of the GCIU Constitution to the contrary, a withdrawal under the preceding paragraph shall be pursuant to the following procedure:

Within ten days following certification of the 2006 IBT Election of International Union Officers, the GCIU General Board shall hold a special meeting for the sole purpose of determining whether to withdraw from the merger with the IBT. If the General Board's decision is affirmative, it shall then be put in the form of a proposition for direct mail ballot referendum of the GCIU membership, conducted insofar as practicable, in accordance with Article XIII of the GCIU Constitution. The election date shall be fixed by the General Board. Ballots shall be mailed no later than 15 days following the close of the special meeting of the General Board. Ballots must be returned by no later than the 45th day following the close of the General Board special meeting.

Members of any GCIU Local Union or District Council who have chosen to directly affiliate with the IBT pursuant to paragraph 7.9 of this Merger Agreement prior to the certification of the 2006 IBT Election of International Union Officers shall be entitled to vote in the direct mail ballot referendum of the GCIU membership. Any GCIU Local Union or District Council choosing to directly affiliate with the IBT prior to such certification, as a condition of its members being entitled to vote in the withdrawal

referendum, must provide the GCIU/IBT Secretary-Treasurer's office with the last known home address of each member of that Local Union or District Council by no later than October 31, 2006.

The withdrawal referendum shall be submitted separately to the Canadian and U.S. members in order to safeguard the democratic rights of Canadian and U.S. members to independently determine their future.

7.15. Liabilities and Obligations. The separate and individual responsibility of each International Union for its debts, liabilities and all other obligations, including, but not limited to, all post-retirement benefit obligations, shall not be affected by the merger, and neither Union shall be responsible for the debts, liabilities or obligations of the other.

7.16. Disputes. Any disputes concerning the terms of this Merger Agreement or their application shall be initially submitted to the GCIU/IBT Conference President and the IBT General President or their designated representatives and any agreed-upon resolution will be subject to the approval of the GCIU/IBT Conference General Board and the IBT General Executive Board. Any dispute concerning the terms or application of this Merger Agreement that cannot be resolved will be promptly submitted to a mutually agreeable neutral third party whose decision shall be final and binding. The neutral third party shall have significant experience with the administration of International Unions.

7.17. Savings Clause. The fact that any provision of this Merger Agreement is held illegal or unenforceable by a court or other tribunal of competent jurisdiction shall not affect the validity or enforceability of any other severable portion of this Agreement. The parties agree to suspend the operation of such provision during the period of its invalidity and to substitute in its place and stead a provision which will meet the objections to its validity and which will be in accord with the intent and purpose of the invalid provision.

7.18. Correction of Inadvertent Errors. The parties shall have the power to correct any typographical, grammatical or punctuation errors in any of the documents involved in this Merger Agreement, provided that any such change must be consistent with the spirit and intent of the provision involved.

7.19. Modification or Amendment. This Merger Agreement may only be modified or amended by the express written agreement of the parties. Any such amendment must be approved by the IBT through vote of its General Executive Board

7/1/04

Page 33 of 33

and by the GCIU/IBT Conference through majority action of the GCIU/IBT Conference General Board followed by approval by the action of the delegates to the GCIU/IBT Conference Convention. This Merger Agreement cannot be abrogated or modified by unilateral action by either party, including any amendment or action at the 2006 IBT Convention or any other IBT Convention or GCIU/IBT Conference Convention.

7.20. Headings and Notes. Headings and bracketed paragraphs identified as “NOTES” (which have been italicized) in this Merger Agreement are intended to explain the general operation of the provisions to which they refer. These headings and “NOTES” do not constitute enforceable provisions of the Merger Agreement and shall not modify the meaning of any provision of this Merger Agreement, the GCIU Constitution, the IBT Constitution or the Bylaws of Teamsters Canada.